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THE PRESIDENT'S SCHEDULE

Monday - March 6, 1978

7:4 5	Dr. Zbigniew Brzezinski - The Oval Office.
8:15	Mr. Frank Moore - The Oval Office.
9:00 (2 hrs.)	Meeting of the Cabinet. (Mr. Jack Watson). The Cabinet Room.
11:00	Mr. Jody Powell - The Oval Office.
12:00	Lunch with Vice President Walter F. Mondale. The Oval Office.
1:15 (5 min.)	Dr. Stanley M. Wagner and Senator Floyd Haskell. (Mr. Frank Moore) - Oval Office.
1:20 (5 min.)	Mr. Joseph M. McLoughlin, President, Lions International. (Ms. Midge Costanza). The Oval Office.
1:30 (3 min.)	Mayor Cooper Tedder and City Manager Thomas Edwards of Florence, South Carolina. (Mr. Frank Moore) - The Oval Office.
1:40 (10 min.)	National Science Talent Search Winners. (Dr. Frank Press) - The Roosevelt Room.
2.00	Twearing in Hiller (CW1(es)

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THE WHITE HOUSE WASHINGTON

March 6, 1978

Peter Bourne

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President Stu Eizenstat Jack Watson Tim Kraft

RE: CRIPPLERS AND KILLERS COMMISSION

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THE PRESIDENT HAS SEEN.

How Can are How Can are The Secretary of Health, Education, and Welfare get maximum Washington, D. C. 20201

March 3, 1978

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March 3, 1978

Leparato Commission:

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO

"CRIPPLERS AND KILLERS" COMMISSION SUBJECT:

I agree with the importance of your getting out front and identified with prevention, particularly as it is popularly associated with killers like heart and lung disease, stroke, and cancer.

Several factors, however, raise serious doubts about setting up a Cripplers and Killers Commission at this time.

For the past year, as Peter Bourne points out in his memo, we have been working on the elements of a major prevention effort. One key element has been a major conference at the National Academy of Science's Institute of Medicine, which was held on February 16th thru 18th, just two weeks ago. The three key players in that conference were Doctors Hamburg, Richmond and Breslow (three of the six members of your proposed Presidential Commission).

The IOM Conference will make a final report no later than May 1st, which we believe will be a superb piece of work in this area. That report, coupled with work going on within HEW, will form the basis for two subsequent documents: a Surgeon General's report on prevention and a major Presidential statement (or Congressional message) on prevention.

In the context of these ongoing activities, the establishment of a Presidential Commission at this time will not be seen as a relevant or substantive move.

I believe you can get all the advantages of such a commission while engaging directly with the substance of our work by pursuing the following alternative:

The President March 3, 1978 Page Two

- 1. Have Drs. Richmond, Hamburg, Breslow, et al. present the IOM Report on Prevention to you around May 1st.
- 2. At the public presentation of that Report you could (1) direct the Secretary of HEW and the Surgeon General to expedite recommendations for you for a major governmentally-backed program, and (2) direct the Surgeon General to prepare the planned Surgeon General's Report on prevention.

Dr. Richmond agrees with this approach.

A White House presentation ceremony would provide an excellent public forum to emphasize that you intend to have a major Presidential initiative in this area, either as a prelude to or as a part of National Health Insurance.

As you know, prevention will have to be a significant part of National Health Insurance, if we are going to hold costs within reasonable limits, and is already a significant element of our efforts at HEW. For example, our push for health maintenance organizations (which have strong economic incentives to stress prevention), the education and research efforts in the anti-smoking campaign, our childhood immunization effort and our attempt to establish a permanent federal-state flu immunization program represent major elements in our prevention strategy.

While there are significant political benefits for you -- both in the health area and generally -- in a prevention campaign, you should be aware of two caveats:

(1) In view of the reaction in the tobacco producing states to the anti-smoking campaign, you should recognize that major recommendations of any prevention program will involve a significant anti-smoking thrust: Cigarette smoking is regarded as a chief culprit in heart disease, cancer, bronchitis, emphysema and other respiratory diseases. The IOM report (and any "Killers and Cripplers" prevention commission) will reflect this reality.

The Surgeon General's Report on Prevention will deal only broadly with smoking, however, since there is a special Surgeon General's Report on Smoking and Health due early next year as a separate document. That document will commemorate the 15th anniversary of the Surgeon General's first report on smoking in 1964.

The President
March 3, 1978
Page Three

(2) Formulating an effective initiative to prevent disease has proved an exceedingly difficult challenge. The problems we are struggling with involve largely questions of personal behavior, such as life style, nutritional habits, early detection of disease, etc. Government policy will have great difficulty influencing many of these problems.

Recommendations

I recommend:

- (1) that you <u>not</u> establish a "Killers and Cripplers" Commission at the present time and agree, instead, to accept the IOM Report on Prevention at a White House Ceremony;
- (2) that, at the presentation of the IOM Report, you direct the Secretary of HEW and the Surgeon General to expedite recommendations for you on a major prevention program, and that you direct the Surgeon General to prepare a Surgeon General's report on prevention.

Approve	
Disapprov	7e

FOR STAFFING FOR INFORMATION

FROM PRESIDENT'S OUTBOX LOG IN/TO PRESIDENT TODAY

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March 6, 1978

Jim Fallows

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

RE: COAL SPEECH





THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 6, 1978

To: The President

From: Jim Fallows Ja

Here are Ray Marshall's and Stu Eizenstat's late comments on the draft of the coal speech you saw this morning:

Page 1: Stu thinks the first line should begin, "A majority of the membership..."

Ray says, at the end of the first paragraph, that the UMW is one of the few unions that requires ratification by the full membership. He recommends that the second sentence in the paragraph read: ",but I recognize that in our system of collective bargaining, miners are ordinarily required to approve contracts, in a democratic election, before the contracts take effect."

Page 2: Stu recommends that the first new sentence at the top, beginning "one month from now," should end this way: "would be unemployed if the coal strike continued."

Ray says, in the second paragraph, that you should describe your action this way: "I intend to do so. I have appointed a Board of Inquiry and asked it to report back to me as soon as possible, to begin the emergency dispute-settlement procedure under the Taft-Hartley Act. I have instructed the Attorney General..."

Page 3: On reflection, Stu thinks that the statement about 1978 wages should be even more hands-off, such as:
 "...both parties agreed on new wages to begin in 1978. If any of the companies wishes, it may offer these new wages to its minders during the term of this injunction. The injunction we seek will permit them to do so."

Page 5: In the first new paragraph, Stu says the second sentence, beginning "I hope and believe," should end: "do not reflect the real sentiments of most of our nation's miners."

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE WASHINGTON

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Mr. President:

This draft has a paragraph on page 3 about the 1978 wages; Ray Marshall, Stu, and Jody developed and approved it. Your choice is to say something like that or not mention the new wages at all.

Jody has been through this draft and approved it; I sent copies last night to Stu and Ray Marshall, who had seen earlier versions of the speech.

JL. Fallows

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3/6/78

rick--

copies have been sent to sands and sims... attached is for your info/file

-- susan

J.





THE SECRETARY OF COMMERCE Washington, D.C. 20230

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Dear Mr. President:

Thank you for your inquiry of February 28 concerning the Bureau of Census forms received by Gold Kist, Inc., for reporting in the 1977 Economic Censuses. I should like to give you some background about this program.

These economic censuses, which are conducted every 5 years by the Bureau of the Census, form the foundation for the Federal economic statistics They provide key measures of our economy and are used extensively to update and reweight current indicators of our economy such as the Gross National Product, Index of Industrial Production, Wholesale Price Index, Retail Sales and the like. The basic data are widely used by the executive branch in policy formulation, by the Federal Reserve Board, and by the business community in general in evaluating the alternative actions so necessary to maintain our economic well-being. The business community uses the information in market analysis, forecasting business trends, and related decisionmaking.

For 1977, the Annual Survey of Manufactures (ASM) is integrated into the economic censuses and form MA-100 becomes the first two pages of the census of manufactures report. The ASM provides key measures of manufacturing activity during intercensal years and is based on a probability sample which includes all large companies, such as the Gold Kist Company, and a representative sample of smaller firms.

A concerted effort is made to minimize the impact on the business community and still meet the data requirements of this Government. report forms are reviewed by virtually all trade associations in each industry, many private firms, other government agencies and, finally, by the Office of Management and Budget to insure that the data are necessary. readily reportable from most company records, and do not duplicate information collected elsewhere. In its review, the Office of Management and Budget is assisted by industry committees of the Business Advisory Council on Federal Reports. We realize that despite this clearance procedure some firms will not be able to abstract the data directly from their accounts. The reporting instructions, therefore, suggest the use of reasonable estimates if book figures are not available. We do not expect companies to spend 6 hours per report or to take on extra expense to develop data not readily available from their records. These minor estimating errors will not affect the resulting total statistics to any significant degree.



The provisions of title 13 of the United States Code, which require the censuses to be taken at 5-year intervals, also require that business firms within the scope of the censuses file a return, since the value of the censuses depends on their completeness. I should like to stress, however, that the ability of the Census Bureau to publish meaningful, reliable data in a timely manner depends upon the willing cooperation of the business community. Their success is demonstrated by the fact that rarely does our counsel have to initiate legal action to obtain a report because of the excellent cooperation provided by the business community. In fact, when the 1953 Economic Censuses were eliminated as an economy measure from the President's budget to the Congress, so many objections were voiced by the business community that the program was reinstated for 1954. The vast majority of firms realize that, although the reports may be inconvenient, the resultant data are necessary and extremely useful.

I am most conscious of your desire to reduce the reporting burden imposed by Federal reports. We are making every effort within Commerce to achieve this objective and, at the same time, meet the data needs of our Nation. We believe that the program we have established for the economic censuses has made this trade-off in an optimum manner at minimum cost. Administrative records of other Federal Government agencies are used to the maximum extent possible. For example, by using data from the Social Security Administration and from the Internal Revenue Service, the Bureau is able to develop the necessary data for the smallest firms and, therefore, not require any direct reporting by about three million of the six million firms covered in the economic censuses. Sampling is used in the censuses wherever feasible, particularly for data inquiries which are not needed at the local area levels. Direct liaison has been established with each of the largest firms and experiments such as telephone assistance through toll-free numbers are being tried in this census.

I hope this explains the need for the economic censuses. If you have any further questions, please let me know.

Respectfully,

Juanita M. Kreps

The President
The White House
Washington, D. C. 20500

GOLD KIST INC. MARKETING GROUP February 8, 1978 your fore the fore the forest of the same of the same

MEMO TO: Rog

Roger Hill

FROM:

Wayne Sims Wuy

SUBJECT:

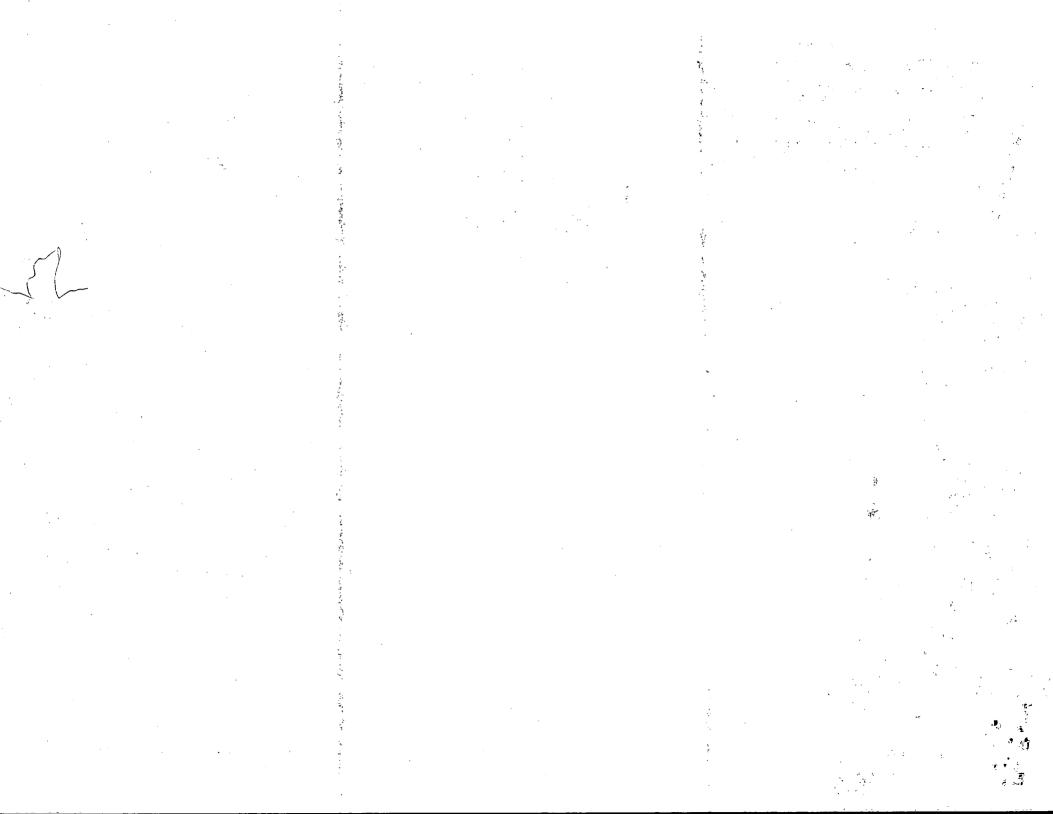
GOVERNMENT REPORTS

We continually hear on the news media about reducing the amount of reports which the government requires. This appears to be working in reverse. Last year the Peanut Division was required to do four each of MA-100's. This year the same four MA-100's were required and 11 forms CB-50S were added. The additional reports were of the same magnitude in the Oil Products Division.

I am not sure who we should complain to, however, it is taking a great deal of effort and in most instances this effort is required of our management personnel rather than of our clerical personnel. I personally feel that top management should be made aware of this increased load and cost since it takes approximately six hours per report.

pmf

cc: Gaylord Coan Peter Gibbons D. W. Sands



2-28-78

These are Commerce forms. Please

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO:

THE PRESIDENT

FROM:

Jack Watson kack

Jane Frank

March 3, 1978

RE:

Proposed Agenda

- Status of the coal strike;
- 2. Comments on the debate on the Panama Canal treaties;
- 3. Forthcoming visit of Yugoslavian President Tito:
- Ask Cabinet's reaction to the format of Cabinet meetings;
 - Comments from Cabinet members.

CC: The Vice President

1217

THE WHITE HOUSE WASHINGTON

March 6, 1978

Bob Strauss

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson TEXTILE IMPORT PROBLEM

FOR STAFFING FOR INFORMATION

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THE PRESIDENT HAS SEEN.

THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS WASHINGTON

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March 3, 1978

MEMORANDUM TO THE PRESIDENT

FROM:

Robert S. Strauss

RE:

Textile Import Problem

The points raised by Robert S. Small in his letter to Charlie Kirbo are not unfamiliar, since they represent the line being used by a number of textile manufacturers, sometimes without reference to factual information. Some of our friends such as Morris Bryant and Bill Battle have been extremely helpful in trying to counter such claims, but the other side seems to have a propaganda advantage. I have met with a number of major manufacturers, including such intractable critics as Bill Klopman, but this has done only a limited amount of good. I have not met with Mr. Small but would be glad to do so.

Briefly, we have secured -- with great political effort, as you know -- renewal of the Multifiber Arrangement; we have negotiated very restrictive bilaterals, almost to the point where we are not being entirely fair with our consumers; we have encouraged close monitoring of shipments; and we have held textile tariff reduction offers to the very least possible while retaining our negotiating credibility.

An expansion of each of these points follows:

1. Regarding the negotiations under the Multifiber Arrangement (MFA), the MFA renewal was itself initially opposed by the textile folks until they acknowledged it was their only internationally legal control over the level of imports coming into the U.S. (i.e., quotas not subject to retaliation.) For domestic political

reasons the European Community needed to score heavily on one or two early bilateral agreements in order to sign the protocol for MFA renewal. We hear that the EC and Hong Kong had a "secret understanding" which moderates the impact of their agreement, but we cannot substantiate this.

2. With regard to our bilateral negotiations, we have received excellent marks from the apparel unions, and good, but not excellent marks from the textile mill people (in private). Both industry and labor have people assigned to our negotiating team as consultants. Generally, our bilaterals have provided no growth in the renewal year and no more than the MFA-mandated 6% growth each additional year. Also, these have been tailored with excruciating care to minimize impact on either labor-sensitive or value-sensitive categories.

At present, we are making shifts for our benefit in the Hong Kong agreement, through consultations; we broke off talks with Taiwan because they would not readily agree to our tight limits (including a rollback on knitwear); we are beginning talks with Japan, which were delayed while our other trade difficulties were being handled; and the Pakistan agreement is more restrictive than the one which preceded it.

The Committee for Implementation of Textile Agreements does, as stated, operate by consensus. This keeps a fastworking team abreast of the cases, and helps in our negotiating efforts, for which the same people have responsibility. The CITA last year issued 350 directives to Customs, and took more than 200 other actions which did not require Customs involvement. That is more than 50 affirmative decisions a week. From figures to date, there have been 1977 overshipments in only 19 of the 2200 textile ceiling categories, and these amounted to .2% of the yardage South Korea has not been an easy partner, but has not been guilty of persistent overshipments; some of our difficulties have been over classifications, but we have had few problems in the last year. In 1976, there was a large overshipment embargoed until the end of an agreement year, September 30; when these apparel items were released, they severely impacted the Christmas sales market and therefore were embargoed again.

We have, indeed, proposed cutting tariffs on some mill products as an initial negotiating position in Geneva. Mill products -- textiles and yarn -- account for 1.6 billion dollars worth of imports, but also account for 1.6 billion dollars worth of exports, thereby being an item where we could hope to improve market access. However, we made tariff-reduction offers on only about \$500 million worth of mill products, representing less than 5% of the import-to-production ratio. Should the negotiations be so successful that this entire offer was implemented (for appropriate reciprocal concessions) tariffs on mill products would be cut over probably a ten-year period at an average tariff percentage reduction of less than .5% per year, beginning no earlier than 1980. We do not view this as devastating, and it keeps the negotiations credible.

Unfortunately, some of the information, such as the specifics on tariff offers, is held as confidential and cannot be fully used to counter industry claims.

March 6, 1978

Stu Eizenstat Jim McIntyre

> The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

> > Rick Hutcheson

RE: URBAN POLICY

FOR STAFFING FOR INFORMATION

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3-6-78

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THE WHITE HOUSE

March 6, 1978

Stu Eizenstat

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President
 Frank Moore
 Jody Powell
 Jim McIntyre

RE: POSTAL POLICY - RECOMMENDATIONS REGARDING H.R. 7700

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 5, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT

BOB MALSON

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SUBJECT:

Postal Policy --- Recommendations Regarding

H.R. 7700

I. Background

OMB testified before the Hanley and Wilson Subcommittees last September and opposed three sections of the Hanley-Wilson bill. Under that bill: (1) The Postal Rate Commission's decisions were subject to Congressional veto and the vetoed rate would be substituted with an automatic appropriation. opposed this as lessening the independence of the Postal Service. (2) The bill provides for a public service subsidy authorization of 15% of the prior year's postal budget. For FY79 that would equal \$2.6 billion and for FY80, \$2.8 billion. We opposed that provision because the formula is inflationary and amounts to a cost-plus contract that rewards inefficiency In addition, the Postmaster General had and mismanagement. warned that the provision of those funds prior to the completion of this year's collective bargaining negotiations would make it difficult, if not impossible, to prevent the money from going to the unions in the form of higher wages and benefits than the Postal Service management currently plans. (3) The bill would abolish the Board of Governors. The bill would also permit the selection of the Postmaster General by the President to serve at his pleasure. We opposed abolishing the Board because the Postmaster General should be required to present major management options to a Presidentially appointed body for approval prior to implementation. We suggested a six year term for the Postmaster General to balance the need for political sensitivity with the goal of independence.

The Committee rejected all three recommendations and added a few costly sections to the bill in the mark-up session. The bill was reported on October 18 by a vote of 19-4 with all the Democrats on the Committee voting for the bill.

S/m J OMB and our staff immediately began to work closely with the staff of Senator Glenn's Postal Subcommittee to insure, to the fullest extent possible, that the bill they were about to introduce would comport with the Administration's thinking. We are in the final stages of staff-level negotiations and we believe the Senate bill will be far superior to H.R. 7700. Senator Glenn's staff would like to introduce their bill within the next ten days.

Shortly after a meeting with you in January, the Speaker informed Congressmen Hanley and Wilson that he was removing H.R. 7700 from the agenda of the Rules Committee until "...your problems with the White House are worked out."

On February 5, Mr. Wilson, representing all the Democrats on the Committee except Mr. Hanley, offered a compromise. The Committee would be willing to strike the Congressional veto of rates provision. (2) The public service subsidy section was negotiable. The Committee was not locked into either a fixed percentage formula nor was it locked into any given amount. They all believed the public service subsidy must be increased in order to hold down rapid postage rate The Committee, increases and service curtailment. (3) Mr. Wilson stated, might be willing to back off its position to abolish the Board if the Administration had a plan to insure that the Board would "...no longer be a rubber stamp for the Postal Service management." The Committee felt strongly that the Postmaster General should not serve for a fixed term but should serve at the pleasure of the President.

OMB and my staff received word Friday that the Speaker would like us to meet with Committee Chairman Nix and Subcommittee Chairmen Hanley and Wilson on Monday with a response to Mr. Wilson's compromise offer.

We believe our most favorable posture would have been to have the Glenn bill introduced with the Administration's support before H.R. 7700 reached the floor of the House of Representatives. However, the House Committee Democrats have pressured the Speaker to force a decision on Monday and it is highly unlikely that the Glenn bill could be refined, drafted and introduced before H.R. 7700 reaches the floor. Under these circumstances we believe our most advantageous position would be to modify our position on the Postmaster General's term of office and to attempt to substitute the public service subsidy formula draft by OMB and the Domestic Policy Staff for Senator Glenn's bill, and have it introduced in lieu of the "15%" public service subsidy formula in H.R. 7700. This strategy would insure that the comparable sections of both the House and Senate bills would not be inconsistent with the Administration's position, and that we could live with a compromise that would evolve in conference.

II. Recommended Responses to the Compromise Offer

Α.	The	Postmas	ter	General'	S	Term	of	Office

- o Current Administration Position: Six years.
- o Original Hanley-Wilson bill and Offer: Service at the pleasure of the current President.
- o OMB and DPS Recommendation: Four years to run concurrently with the President's term of office.
- o Anticipated Reception: Favorable, especially when viewed in conjunction with our recommendation on the Board of Governors, below.
- o DECISION:

1/			
V	Approved		Disapproved
	(OMB, DPS)		- -

B. The Board of Governors

- o Current Administration Position: Retain the Board.
- o Current Hanley-Wilson Offer: Strengthen the Board and make it meaningful.
- o OMB and DPS Recommendation: The President should be permitted to designate one of the Governors as the Chairman. The Chairman should be given the authority to hire an independent auditing staff responsible to the Chairman and not to the Postmaster General.
- o Anticipated Reception: Favorable.

0	DECISION:	
	Approved (OMB,DPS)	Disapproved

The Public Service Subsidy

- Current Administration Position: No change in the present law. (Beginning in FY80, the \$920 million annual public service subsidy begins to "phase down" to \$460 million over a five year period at the rate of \$92 million per year.)
- Hanley-Wilson Compromise Offer: The Committee is willing to negotiate downward from the "15%" formula. Mr. Wilson does not believe they would accept less than 10% or a flat dollar amount equal to 10% (\$1.7 billion).
- o OMB and DPS Recommendation: The public service subsidy should be increased over four years to reach \$1.3 billion by 1982:

\$1.2 billion FY79: \$1 billion FY81:

FY80: 1.1 FY82 and beyond: \$1.3 billion

This formula, drafted jointly by OMB and the Domestic Policy Staff, is the one we are attempting to sell to Senator Glenn in lieu of the \$1.7 billion he desires. In addition to moving in the direction of the House Committee, this approach would keep almost all of the increases out of the reach of the unions at this year's negotiations. This amount has been agreed to by OMB and is the only way we can get in the "ballpark." Even Senator Glenn wants to go higher.

Anticipated Reception: Favorable, but close.

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(OMB, DPS)

Disapproved

Congressional Veto of Postage Rate Decisions

Mr. Wilson said the Committee was willing to strike this provision as we requested last September.

Ε. Other Provisions of H.R. 7700

The four points outlined above are contained in three of the seventeen substantive sections of H.R. 7700. We have problems with ten of the remaining fourteen sections, but they are not of the major significance of the ones mentioned above. Rather than attempting to amend those

sections, we would prefer to send a letter to Chairman Nix stating our views and adding that the Administration would have no objection to consideration of the bill by the Rules Committee if it is amended in accord with your decisions, but would make it clear we do not support the fourteen sections of the bill that were not part of Mr. Wilson's compromise offer or our response to the offer. Responsible postal legislation has traditionally been written in the Senate and we would prefer to continue our affirmative efforts with Senator Glenn since he has been supportive throughout all of our problems with the House Post Office Committee. We will probably be able to agree with Glenn on all parts.

Approved (OMB,DPS)			Disapproved
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March 6, 1978

Jack Watson

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

RE: DISSEMINATING CABINET MINUTES

FOR STAFFING FOR INFORMATION

FROM PRESIDENT'S OUTBOX

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 4, 1978

MEMORANDUM TO:

THE PRESIDENT

FROM:

Jack Watson

Jane Frank

RE:

Summaries for the Week of February 27 -

March 3, 1978; Miscellaneous Items

Attached are the weekly summaries.

At last week's Cabinet meeting, you asked the Cabinet to report to us concerning pending nominations in the Congress and delays in clearance in the Civil Service Commission. You also asked for some reflections about continued dissemination of Cabinet minutes. We have had lengthy, personal conversations with a number of Cabinet members, and their comments are reflected in the following:

- 1. Pending Nominations. The Energy Committee is virtually the only place where any Presidential nominations are delayed. The one exception is the Judiciary Committee, where the nomination of Ben Civiletti has become the lightening rod for the expression of concern about a range of issues. Frank Moore's office is doing a more careful check to be sure that there are no problems outside of Senator Jackson's committee.
- 2. Civil Service Commission Practice. No Cabinet Secretary besides Jim Schlesinger complains of Civil Service Commission delays. Scotty Campbell points out that the Commission has been making "strenuous efforts to improve its service" and has communicated with Jim Schlesinger about the fact that the DOE Assistant Secretary for Administration and Personnel Director met with the Commission prior to Jim's comments and "indicated during our conversation complete satisfaction with the personnel services the Energy Department is receiving from the Commission."

- 3. Disseminating Cabinet Minutes. Bob Strauss continues to believe, as he stated at the Cabinet meeting, that Cabinet minutes regularly get into the hands of the press and "make you look foolish." He does agree, however, that much of what is potentially embarrassing in press accounts comes from leaks of Cabinet discussions not included in the minutes. As you know, we edit and re-edit the minutes each week and clear them with Zbig. As Harold Brown pointed out in the Cabinet discussion last week, it is not the material in the minutes that causes the problem. Comments from Cabinet members range from:
 - a) "I don't read the damn things," to
 - b) "I find them useful," to
 - c) "My Deputy and Assistant Secretaries read them regularly."

The majority of people to whom we spoke want us to continue to circulate the minutes.

Minimize disk bution
give me minimum list

Continue to circulate (recommended)

- 4. Format of Cabinet Meetings. In the course of our discussions about disseminating the minutes, we took the liberty of raising once more with Cabinet Secretaries their view of the format and frequency of Cabinet meetings. Only one attendee at the last meeting pointed out that you may consciously have changed the format by beginning with comments of your own and requesting responses to those comments. Everyone felt that the Cabinet meeting should be designed primarily to serve your interest, but several suggestions were made:
 - a) Change to a three-hour meeting every other week;
 - b) Have at least one in-depth briefing each week on a topic of interest; for example, the Horn of Africa;
 - c) Circulate an agenda in advance and confine discussions to the several topics in it;
 - d) Instead of going around the room, ask if there are any important comments not included in the weekly summaries which a particular Cabinet Secretary thinks should be shared;

e) Vary the format--have a reporting session once a month, a briefing session the next time, etc.

We suggest that you might raise this issue at next Monday's Cabinet meeting and ask each Cabinet member to make any suggestions when it comes to his or her time to report.

Some Additional Items

- -- Energy Conference. The feedback we received from the energy discussions with Governors has been excellent. Milton Shapp stated that in his fourteen years of coming to Washington, this was the best meeting he had ever attended.
- -- Energy Booklet. As part of our overall effort on the coal strike, the Department of Energy and the Defense Civil Preparedness Agency jointly prepared a listing of federal programs to aid in alleviating human needs related to emergency power outages. The booklet includes a description of what aid is available, to whom and from whom, with names and phone numbers. It has been widely circulated in draft form and will be finalized soon.
- -- Urban Policy. Stu and I are engaged in a series of intensive briefings and consultations with Governors, Mayors, State Legislators and others on various options under consideration for the urban policy. Although the process is very time-consuming for us, we have received some constructive feedback, and the general consensus of all groups is that they have had an unpredecented involvement in the formulation of a major policy.
- -- State and Local Meetings. The State Legislators also met last week; the National League of Cities meeting begins this weekend; and NACo arrives next weekend.
- -- The Coal Strike. On Saturday afternoon, I convened a meeting of representatives of Justice, Labor, Energy, Interior, Transportation and Defense, plus OMB and White House staff, to discuss contingency plans for a possible continuation of the coal strike. I am satisfied for the moment that the "interconnects" between and among appropriate agencies are working,

and that we are, to the fullest extent possible under the circumstances, on top of the situation. I shall not bother you with details here, but our information on coal supplies, current utility capacity, alternative fuel supplies, interstate electric power transfers, transportation needs, law enforcement circumstances and related matters is current and under close and continuing evaluation. I have established several cluster groups within the agencies listed above which are working on various aspects of the problem.

On the legal side, Bob Lipshutz has been overseeing all of the necessary planning for the filing of a Taft-Hartley injunction, and everything is ready.

cc: The Vice President

THE WHITE HOUSE WASHINGTON

March 6, 1978

Zbig Brzezinski

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Hamilton Jordan

RE: ADMINISTRATION'S MIDDLE EAST

POLICY





THE PRESIDENT HAS SEEN.

36:9 F

TO:

The President and

Vice President

FROM:

Edward Sanders

DATE:

March 6, 1978

Subsequent to the February 7 dinner with the President and the Vice President, I have become deeply disturbed by what appears to be a pronounced drift in the Administration's Middle East policy which has resulted in the most widespread Jewish disenchantment that I can recall.

PRESENT SITUATION

- a) There is a widespread conviction that the Administration is deliberately provoking an open conflict with the American Jewish community evidenced by Dr. Brzezinski's appearances before the Council on Foreign Relations on February 22 and at the White House meeting of February 23 and by press reports such as James Reston's column of February 23.
- b) Spurred by the Administration's Middle East arms package, a deep cynicism is developing as is a potential enduring hostility concerning the Administration's intentions towards Israel. The present state of affairs is far worse than the emotional reaction to the joint United States-Soviet statement of October, 1977.
- c) The prospects for peace in the Middle East are adversely affected by the matters described in paragraphs "a" and "b" above.

RE THE ARMS PACKAGE

Personally, I am deeply disturbed and disheartened by each part of the Administration's arms package - the sales to Saudi Arabia and Egypt as well as the severe cut in arms sales to Israel. In my opinion, the Administration is engaged in a major arms deal which is bound to deflect attention from the peace process and to harden negotiating stands on both sides while involving the Administration in a heated debate at home. I fully understand that the White House took account of these deficits in arriving at its decision, but I still feel that the wrong conclusions were drawn. (Details of the grounds for my views are set forth in Appendix attached hereto.)

RE THE SETTLEMENTS

The Administration has also involved itself in a public debate with the Israeli government over settlements policy. While I do agree that Israeli policy on this issue, especially its public relations aspects, has been questionable, I believe that there were other means for the United States government to handle the problem.

When Secretary Vance suggested that the settlements "should not exist," he only made it more difficult for the Israelis to alter their policy and for the Egyptians to accept a compromise should they have been so inclined. In any case, sale of the F-15s to Saudi Arabia provides the best argument yet available to the Begin government for remaining indefinitely in a portion of the Sinai and has clearly improved the receptivity to Israeli arguments here at home.

RE APPARENT ADMINISTRATION HOSTILITY

I have been dismayed that Dr. Brzezinski chose to express views which were discerned as openly hostile to Israel at the Council on Foreign Relations on the 22nd and at the White House meeting of Jewish leaders the next day. I was not present at either meeting, but I am mystified at the timing and content of these reported statements. Certainly, they will make the Administration's efforts at home more difficult and serve to heighten a confrontation atmosphere prior to Mr. Begin's arrival and increase the possibility of an unsuccessful meeting.

ALTERNATE ARMS POLICY

First and most importantly, I would delay the whole arms package until the results of the current peace efforts are clearer. The Israeli portion of the package may be consummated at a later date. None of the three governments may be satisfied with this approach, but I believe that it would signal to all of them that our primary objective at the present time is to take advantage of the opportunities set in motion by President Sadat's trip to Jerusalem. I do not believe that this decision need create the appearance of Administration inconsistency or of a Saudi-American crisis. Since the package has not yet been sent to the Hill, it need only be delayed on the grounds that peace negotiations have become too delicate.

NORMALIZATION PLAN

A United States-sponsored regional development plan, generally along the lines of the plan that Roger Lewis and I have previously recommended, should be announced. Such an announcement would make the concept of normalization much more meaningful, and both in the Sinai and the West Bank, normalization can be used as a means of guarantee and assurance for Israel.

In the Sinai, the settlements might well become less important to both sides if a high degree of Egyptian-Israeli normalization occurs. Prime Minister Begin has already conceded Egyptian sovereignty over the area; therefore, we should urge that the settlements should remain in place until a point in time (perhaps ten years hence) when a previously agreed level of normalization had been reached and had worked smoothly for several years. Both the Egyptian and the Israeli governments have been arguing about the future as if it will exist under current conditions. As demonstrated by the electrifying events between mid-November and mid-December, steps towards normalization have a way of altering the atmosphere and opening new psychological For the Israelis, a degree of security would be quaranteed by an agreement which spelled out specifically that they would not be forced to withdraw their settlements until a defined high degree of normalization had already been reached between the two countries. The Egyptians would not only be able to demonstrate the genuineness of their intentions, but they would know they would gain the return of their land.

I believe a similar formula could be applied on the West Bank. As self-rule for the West Bank similar to that envisioned by Prime Minister Begin was being instituted, a Jordanian presence could be recreated step by step while normalization was occurring in phases. For example, as telephone, telegraph and direct air service was begun between Tel Aviv and Amman, the Jordanians would conduct local elections. Only after full Jordanian-Israeli normalization would the final determination of the future of the West Bank and Gaza Strip occur.

I am not suggesting that the United States should be this specific in recommending detailed plans, but I am recommending that we should have this type of compromise for use at an appropriate time. Indeed, it is my view that public proposals by United States officials only interfere with the negotiations between the parties themselves.

CONCLUSION

I have discussed all of the foregoing with Roger Lewis, and he concurs completely. We believe that on both the level of obtaining peace in the Middle East and on the level of domestic political support for the Administration, steps of the nature outlined above should be taken promptly. A failure of action will be materially harmful to the chances for peace and for success of the Administration domestically. We feel that unless the situation is defused, the Administration may become involved in a potentially irreversible confrontation with the Jewish community (which, among other things, may hurt Democratic candidates in the November Congressional elections).

Roger and I, as people who are committed to helping the President and the Administration, ask you to consider taking these steps. We ask this as people who respect and appreciate the President's and the Vice President's dedication to all of the things which are important to us as Americans and as Jews.

APPENDIX

GROUNDS FOR VIEWS RE ARMS PACKAGE

First, it gives both sides a reason to harden their position. Since the military balance will now be less favorable towards Israel, Jerusalem can reasonably make the case that it requires larger amounts of territory for its security. Since the Arabs will be stronger by comparison, they have less incentive to compromise. Arguments that the Saudis will not transfer weapons to the Egyptians (e.g., their F-5Es) simply ignore past Arab practice and the high level of already existing Saudi-Egyptian military cooperation (e.g., the training of Egyptian pilots on Saudi F-5Es).

Second, the F-15s and F-16s were explicitly promised to Israel in return for her concessions in Sinai II. Why should Israel take any future guarantees from the United States seriously when we undercut a public promise?

Third, the package approach implies that all three claims are equal, which I would reject. Since 1955, the United States has wisely refrained from offering the sale of offensive weapons to Egypt. I see no reason why we should alter this policy now especially in the light of the French sale of jets to Cairo. It would have been more in keeping with our stated objectives to reward President Sadat with wheat instead of with weapons.

As far as Saudi Arabia is concerned, I wonder whether the full implications of the decision on F-15s have been sufficiently examined. By making Saudi Arabia into a confrontation state, the possibilities of Saudi involvement in any war in the area are intensely increased. By raising the possibility of such a Saudi-Israeli conflict, we escalate the risks and complications for our own decision making process and thereby increase the possibility of falling ourselves into the abyss. At a minimum, we increase the possibility of escalated United States involvement in a highly volatile area.

THE WHITE HOUSE

WASHINGTON

March 9, 1978

MEMORANDUM TO THE PRESIDENT

FROM:

JIM FALLOWS, ACHSAH NESMITH

SUBJECT:

Nuclear Non-Proliferation Signing Remarks

The Nuclear Non-Proliferation Act of 1978, H.R. 8638, is a major step toward a goal all nations share -- to permit the world to reap the benefits of peaceful nuclear power without incurring the awful costs of the spread of nuclear weapons.

Senators Ribicoff, Glenn and Percy, and Congressmen Zablocki, Bingham and Findley, and their colleagues deserve our thanks for their leadership in developing this bill. This act sets the conditions and criteria which will govern United States cooperation with other nations in our efforts to develop the peaceful use of nuclear energy. It establishes a comprehensive set of controls -- including application of safeguards, procedures and incentives set by the International Atomic Energy Agency -- to provide a framework for international nuclear cooperation and sanctions against violations of safeguards. It makes our export licensing process predictable and will encourage the universal ratification of the Non-Proliferation Treaty.

Some of these provisions will cause adjustments by our friends abroad, but I believe they will ultimately agree with us that the improvements in world security this makes possible are worth the short-term costs.

Over the next year we will develop comprehensive policies for management and disposal of radioactive waste, including implementation of the spent fuel storage program announced last October. To ensure our ability to continue as a reliable supplier of uranium fuel we are moving ahead with a new enrichment plant at Portsmouth, Ohio.

The Nuclear Non-Proliferation Act builds on the policies and principles which I announced last April, and which I reaffirm today. Since that time we have made substantial progress. More than 40 nations have joined us in an International Nuclear Fuel Cycle Evaluation. I continue to oppose making premature and unnecessary commitments to commercialization of the fast breeder reactor and reprocessing, as exemplified in the United States by the Clinch River and Barnwell Projects. The United States and the other nations of the world have time to develop safer technologies and better institutional arrangements that will permit all nations to meet their energy needs while preventing the spread of nuclear weapons. We need not rush into commercial use of plutonium before we can adequately deal with its risks. During this period

of evaluation the uranium fueled reactors now in widespread operation can be used without incurring new proliferation risks. If our common search for improved institutions and technologies is to be successful, all nations must avoid those steps which prejudice the outcome of the INFCE.

In signing this Act I am not agreeing that the Congress can overturn authorized Executive actions through concurrent resolutions -- procedures not provided in the Constitution.

I am signing it, despite my reservations, in that regard, because of its overwhelming importance to our non-proliferation policy.

#

THE WHITE HOUSE

WASHINGTON

March 9, 1978

BILL SIGNING

H.R. 8638 - Nuclear Non-Proliferation Act of 1978

Friday, March 10, 1978 The Cabinet Room 9:45 a.m. (15 Min.)

From: Frank Moore

I. PRESS PLAN

Open Press Coverage

II. TALKING POINTS

Statement being prepared by Stu Eizenstat

III. PARTICIPANTS

The President

The Vice President

Senate

John Glenn Charles Percy Claiborne Pell Jacob Javits James McClure John Sparkman

Senate Staff

Len Weiss, Subcommittee on Energy Sandy Spector, Subcommittee on Energy Len Bickwit, Subcommittee on Energy Connie Evans, Government Affairs Committee Bill Ashworth, Foreign Relations Committee Ellen Miller, Government Affairs Committee

House

Clement Zablocki Jonathan Bingham Paul Findley Charles Whalen

House Staff

Don Fortier, Committee on International Relations Gerry Warborg, Subcommittee on International Economics

Department of State

Lucy Benson, Under Secretary
Ambassador Gerald Smith
Joseph Nye, Deputy Under Secretary
Warren Christopher, Deputy Secretary
Phil Farley, Deputy to Ambassador Smith
Lawrence Scheinman, Senior Advisor to the Under Secretary
Louis Nosenzo, Deputy Assistant Secretary
Ron Bettauer, Attorney
David Hafemeister, Special Assistant
Kathie Smith, Congressional office

Nuclear Regulatory Commission

Victor Gilinsky, Acting Chairman Peter Bradford, Commissioner

ACDA

Spurgeon Kenny, Deputy Director Charles Van Doren, Assistant Director Harry Marshall, Attorney

Department of Energy

Secretary Schlesinger John Deutch, Assistant Secretary Nelson Seivering, Deputy Assistant Secretary Robert Thorne, Assistant Secretary Harold Benglesdorf, Manager, Non-Proliferation Peter Brush, Attorney to Preservation Purposes Please return umade by

Coal Speech -- Draft, 3/6/78

oc Stu-Ray-Ham-Jody-VP-Bob-Jim-Brief editing comments-Do not try to rewrite -J. C.

A majority of the United Mine Workers have now

rejected the negotiated coal contract. I am disappointed

agreement
that this contract was not approved, but I recognize

The United Mine workers

that our system of collective bargaining requires

approved by union members, in a democratic election,

approval by union members

before a contract can take effect.

My policy has been to do everything possible

to help the collective bargaining process produce a

settlement, but, with this rejection by the United

Mine Workers, collective bargaining is now at an impasse.

The coal strike is three months old. The country cannot afford to wait any longer. Coal supplies have been reduced to a critical level throughout the Midwest.

Tens of thousands of people are out of work today

workers

because factories have laid them off, to conserve

fuel. Power curtailments have reached 50 percent in

Indiana, and 30 percent in West Virginia. One month

from now, at least a million, Americans would be

unemployed if the coal strike continued.

My responsibility is to protect the health and

safety of the American public, and I intend to do so.

I have appointed a Board of Inquiry and coked it to right back to me as soon as possible, to begin the emergency dispute -settlement of the Instructed the Attorney General, under the Taft
Plate Instructed the Attorney General, under the Taft
Consider prepare for

Hartley Act, to seek an injunction to require the

miners to return to work and the mine owners to

place the mines back into production. In addition,

I have asked the Attorney General and the Governors

of the affected states to make certain that the law

is obeyed, violence is prevented, and lives and property

are fully protected.

The Department of Energy will use its allocation powers to minimize the effects of fuel shortage on regions which aremost dependent on coal, by moving energy resources to places where they aremost urgently needed.

I have not taken this action lightly. These steps are absolutely necessary if our nation is not to be the innocent victim of this total breakdown of the collective bargaining process.

I fully expect that all parties affected by these actions will cooperate fully and abide completely by the law.

Under a Taft-Hartley injunction, miners are required by law to return to work under the existing contract unless more acceptable terms can be negotiated between management and labor.

THE WHITE HOUSE WASHINGTON

3-6-78 Cabinet my > Coal strike > Energy Conference > Panama > CAB. from ff > Rhodesia In Hatin > Horn > Tax. Soc Sec > Welfare > Tito > Muzorewa tomorrow - Owen Wed > Weizman today > NYC proposal good com House flow > Linkage - SALT

IE WHITE HOUSE Hosp Cost Contamment lower grade, Age discrim legis - time bomb Econ good except strike/weather Hiring A Bus moust & construction All Jan indicators & Mike. Infl nate basically 7% (?) Marmon C Philippine bases Counterntelligence CSCE Concluding Corses - WEun - MEast-Ham - 5 Africa Rhod bringing people together (attack) Jobs goals met, incl HIRE Tito visit security Justice procedence injunction IFI testimony. Doc Long Snow pack -> Planking = insurance

THE WHITE HOUSE WASHINGTON

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THE WHITE HOUSE WASHINGTON

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	FOR STAFFING

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	LIPSHUTZ
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	SCHULTZE
	FYI

ENROLLED BILL
AGENCY REPORT
 CAB DECISION
EXECUTIVE ORDER
Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

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congressional leadership

meeting

3/6/78

THE WHITE HOUSE WASHINGTON

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washington March 6, 1978

Stu Eizenstat Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information and appropriate handling'

The signed original of the letter has been given to Bob Linder for forwarding to the CAB.

Rick Hutcheson

cc: The Vice President
Jack Watson
Jim McIntyre
Zbig Brzezinski
Bob Linder

RE: CAB ORDER SUSPENDING BRITSH CALEDONIAN AIR FARES AND OPERATIONS

THE WHITE HOUSE WASHINGTON

	FOR INFORMATION				
	FROM PRESIDENT'S OUTBOX				
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		MONDALE	ENROLLED BILL		
_		COSTANZA	AGENCY REPORT		
1	Ш	EIZENSTAT	CAB DECISION		
L_	L	JORDAN	EXECUTIVE ORDER		
1		LIPSHUTZ	Comments due to		
	L	MOORE	Carp/Huron within		
		POWELL	48 hours; due to		
		WATSON	Staff Secretary		
		McINTYRE	next day		
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-	-	BRZEZINSKI	MITCHELL		
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-	├	HUTCHESON	STRAUSS		
<u> </u>		JAGODA	VOORDE		
<u> </u>		GAMMILL	WARREN		
. –			7		

THE WHITE HOUSE WASHINGTON March 5, 1978

I called the Kahn-es

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

BOB LIPSHUTZ

SUBJECT:

Proposed CAB Order Suspending British Caledonian Air Fares and Operations

Braniff Airways recently filed tariffs with the Civil Aeronautics Board and the United Kingdom setting forth various passenger fares for their new service between London and Dallas. Braniff's tariffs reflected a lower per-mile charge than previous tariffs. The reductions are mostly 4-5%, but range up to 10% for the basic youth fare.

The U.K. authorities notified Braniff of their dissatisfaction with the proposed tariffs on the ground that the filing was based on the lower Miami-London per-mile rates rather than the higher New York-London rates. The U.K. also stated that it had a policy of disapproving Budget and Standby fares outside the New York-London market. (Last year you overruled the CAB and permitted Budget and Super Apex fares. The CAB had permitted Standby fares.)

Braniff's proposed fares, and the levels acceptable to the U.K. are as follows:

DALLAS-LONDON ROUND TRIP

FARE TYPE AND SEASON	BRANIFF PROPOSAL	U.K. REQUIRED	BRANIFF FARES LOWER THAN U.K. REQUIRED	
			Actual	Percent
First-Class	\$1456	\$1546	\$90	6%
Normal Economy				
Basic	784	818	34	4
Peak	940	956	16	2
14/21 Day Excursion				•
Basic	. 706	741	35	5
Peak	796	831	35	4

FARE TYPE AND SEASON	BRANIFF PROPOSAL	U.K. REQUIRED	BRANIFF FARE LOWER THAN U.K. REQUIRED	
			Actual	Percent
			4.	
22/45 Day				
Excursion				
Basic	627	658	31	5
Peak	747	778	31	4
_			•	
Incentive	650	450		•
Group	658	658	0	0
Winter Grp.		e Million and the Committee of the Commi		•
Incl. Tour	563	563	0	0
· · · · · · · · · · · · · · · · · · ·		•		
Froup Inclusive Tour				
Basic	605	605	0	0
Peak	716	716	0	0
APEX				
Basic	479	481	2	0
Peak	569	571	2 2	0
rear	305	3/1	~	,
Group 100				
Basic	399	435	36	8
Peak	489	525	36.	7
Standby	349	Denied		

Braniff responded by filing higher fares so it could begin service. The CAB still has not acted on Braniff's higher fare proposals, so Braniff has been unable to begin service.

671

734

65

46

10

The Civil Aeronautics Board Order

606

688

Youth

Basic

Peak

The CAB found that the U.K. action denying the lower fares was a "fundamental and flagrant breach of an international agreement (Bermuda II) which, under accepted principles of international law, justifies a reciprocal action."

Article 12(2) of Bermuda II provides that tariffs shall be established at the lowest level consistent with an adequate return to efficient airlines. It further provides that "individual airlines should be encouraged to initiate innovative, cost-based tariffs."

The Board said that competitive low fares was an essential element of the U.S. acceptance of Bermuda II. Encouraging such fares was emphasized by U.S. officials upon the initialing of the Bermuda II agreement. And the CAB cites your statement accompanying the signing of Bermuda II:

"We shall continue to rely on competitive market forces as much as possible in our international air transportation agreements so that the public may receive the improved service at costs that reflect efficient operations."

Finally, the CAB noted that the British action frustrates the purpose for which you overruled the CAB and selected Braniff for the Dallas-London route.

The CAB found that although the U.K. government has made conclusory allegations that the level of Braniff's fares would be uneconomic, it has not made any factual showing nor presented any analysis which justifies disapproval. The Board believes the fares are economic because they are based on the mileage rate for Miami-London fares, under which very profitable operations are being conducted.

The CAB was especially concerned that the U.K. will not permit any Standby or Budget fares outside New York. Such an action severely prejudices passengers from other gateways, and would divert traffic to New York.

The CAB argues that there is no remedy under Bermuda II for this violation. It invoked Section 1002(j)(3) of the Federal Aviation Act and issued an order which requires British Caledonian to use Braniff's proposed fares on British Caledonian's new Houston-London route. The order also prohibits British Caledonian from flying at all if Braniff cannot fly using its proposed fares.

Consultations on the dispute began February 10. The British and U.S. aviation officials will meet on Monday, March 6 for a previously-scheduled round of negotiations on charter rules. They plan to continue the consultations at that time.

ISSUES

The immediate issue raised by the CAB order is whether U.S. retaliatory action is appropriate, or whether it would violate Bermuda II. Under international law, if we believe that another country has violated an international agreement, we are obliged first to seek recourse under whatever

grievance mechanism is established by the agreement. If such a mechanism is unavailable, then we may take retaliatory action.

It appears to us that the Board is correct in finding that the British have violated tariff provisions in Bermuda II.

The agencies disagree about whether the U.S. is required to attempt to resolve the dispute within the framework of Bermuda II. Bermuda II's tariff sections provide that tariffs must be filed 75 days in advance of their effective date. If there is no objection within that period by the other government, the tariffs can become effective. If agreement is not reached within 75 days, the objecting party may require existing tariffs to remain in effect. (In this case, the fares were filed on January 27 and consultations began February 10, but the British waived the 75-day consultation period.)

The CAB and the Departments of Justice and Transportation state that the tariff resolution mechanism does not apply in the case of initial tariffs for carriers first beginning service. The tariff resolution mechanism is designed so that a carrier can continue to provide service at the previous fare while the dispute is being settled. In this case, however, Braniff has no initial existing tariff, so denial of its lawful tariff is tantamount to denial of the service altogether.

Because they believe that Bermuda II does not cover this kind of dispute, CAB, Justice, and Transportation argue that the U.S. retaliatory action would be legal. The Transportation Department points out that Congress' intent in enacting the retaliatory power in 1972 was to enable the CAB to set the stage for negotiations, and to permit the U.S. to retaliate if the negotiations fail.

The State Department disagrees. They say that the standards for judging tariffs under Bermuda II are vague enough so that the British position on Braniff's fares is as strong as the CAB's. Since the 75-day period for consultation has not ended, we have not exhausted our remedies under Bermuda II and hence retaliatory action would violate the agreement. This is true even though the British have technically waived the 75-day consultation period in this case. The State Department says that the agreement "contemplates stalemated disputes between Parties, and provides an ultimate veto by either party in such cases." The retaliation

proposed by the CAB is not contemplated by any section of Bermuda II.

Because the legal issue is so close, the agencies' recommendations are based mainly on their assessment of whether our policy favoring competition and low fares would be frustrated or furthered by retaliatory action.

AGENCY RECOMMENDATIONS

The Department of State

The Department of State urges immediate disapproval of the order on foreign policy grounds. Further negotiations with the U.K. are to begin the afternoon of March 6, and an immediate solution in a few days of these talks cannot realistically be expected. For the U.S. to threaten or take unilateral and retaliatory action against a U.K. carrier while negotiations are still in process would be premature and a clear violation of our commitments in Bermuda II, as well as a damaging international precedent. It would also be counterproductive to our efforts to secure low fares, because the British would be likely to stiffen their position in the face of what they have characterized as a heavy-handed and illegal act by the U.S. Moreover, approval of the order will invite U.K. retaliation and thus further delay the inauguration of new air services to London. Only immediate disapproval of the order can place the U.S. in a responsible position and create a constructive environment for the coming talks. The order can be reconsidered later if a legal basis is properly established.

The Departments of Transportation and Justice

The Departments of Transportation and Justice believe you should state that you will allow the order to go into effect if we are unable to reach a satisfactory solution with the British by Thursday, March 9, the last day on which you can make a decision. They believe that the U.K.'s rejection of Braniff's tariffs represents a clear violation of Bermuda II.

The Transportation Department says that these steps are "absolutely essential to maintain the President's position in favor of low-fare competitive service. To reject the Board's order would signal U.S. weakness in seeing that our objectives under Bermuda II are met. Weakness at this point would also adversely affect our negotiating position on a charter agreement."

National Security Council and Office of Management and Budget

OMB and NSC believe you should disapprove this order as premature in light of the continuing consultations with the British, but they recommend that you notify the British and the CAB that you will reconsider this type of order if a compromise cannot be reached by March 17, 1978, the date the negotiations with the British are scheduled to end.

OMB and NSC agree with the Departments of Transportation and Justice that we must make a strong stand for a liberal interpretation of Bermuda II.

OMB and NSC are convinced by the Department of State, however, that the next two weeks of consultations should be conducted without the immediate threat of suspending British Caledonian operations. We will be in a better legal and political position if we give the negotiations an honest chance to succeed before taking retaliatory action. If settlement is not reached by March 17, you should ask the Board for another retaliation order, or notify the British we will not allow fare increases, or consider renouncing Bermuda II.

Our Recommendation

Given the closeness of the legal question on the appropriateness of retaliation, and since the British aviation negotiators are scheduled to arrive on Monday for another round of talks on charter rules, we believe that we should continue the negotiating process at this time. But we agree with Transportation, Justice, the National Security Council and OMB that you should inform the British that you are prepared to take retaliatory action as recommended by the CAB if the issue is not settled soon.

Therefore we recommend that you request the CAB to withdraw its order at this time. They have indicated that they will do so.

Bermuda II is less competitive, not more, than te original Bermuda Agreement. Our negotiators have essentially repudiated it as a precedent in negotiations with other countries. Because the agreement itself is somewhat restrictive, we should push for as liberal an interpretation as possible.

The tariff increases required by the British are relatively small (2-10%). But their meager size points to the problem: if the British will not even allow relatively small cuts, we will never be able to secure sizable pricing innovations. Most disturbing is the British refusal to allow Budget and Standby fares outside New York. Because of recent domestic discounts, it will be cheaper for passengers to fly to

London through New York if they want to take advantage of Budget and Standby fares. This discrimination should not be allowed.

DECISION

Request that the CAB withdraw its order, but announce that you will seriously reconsider approving another such order if the fares dispute is not settled by the end of the latest round of negotiations, scheduled to end March 17

(National Security Council, OMB and we recommend)
(Sign letter at TAB A)

Disapprove the CAB order (State Department recommends)

(Sign letter at TAB \overline{B})

Announce that you are prepared to approve the CAB order if the fares dispute is not settled by Thursday, March 9, the final date for your decision

(Transportation and Justice recommend) (Sign letter at TAB \overline{C})

BRANIFF SERVICE PENDING NEGOTIATIONS

The Departments of State and Transportation, and OMB recommend that during the negotiations, you should encourage the Board to allow Braniff to operate at the higher fare which the British will allow. The Board has another month in which to make its decision.

We agree that Braniff service should begin as soon as possible, but we believe that it would be unwise for you to intervene in a pending case, particularly since your intervention would ask for higher fares. The respective agencies are free to petition the CAB for expedited action of the higher fares, and they should feel free to do so.

DECISION

You make no decision on Braniff's higher fare until the CAB order is issued, but permit agencies to file if they wish (We recommend)

You ask the Board to consider allowing Braniff's higher fare request quickly so it can begin service

(State, Transportation, and OMB recommend)

TELEPHONE CALL TO CHAIRMAN KAHN

We recommend that you call Chairman Kahn personally to inform him of your decision. The Board's order is entirely consistent with your policy of encouraging low fares, and the CAB has made a commendable contribution in international negotiations to that end.

We suggest that you:

- share his concern with the British action disallowing Braniff's low fares
- commend him for his order but state your belief that the issue should be resolved by negotiation if possible

Chairman Kahn has been extremely helpful to us in getting a domestic airline deregulation bill passed, and he is testifying again before the House subcommittee Monday. You may want to thank him for his active support.

THE WHITE HOUSE

WASHINGTON

To Chairman Alfred Kahn

I have examined your order (Docket 32183) dated February 28, 1978, which proposes to take certain actions regarding air fares and services between points in Texas and London.

The Board and I share the same commitment to low-priced, competitive air transportation, a principle embodied in Article 12, Section 2 of the US-UK Air Services Agreement of 1977 (Bermuda II). I agree with the Board that the action of the British government in rejecting low-fare tariffs filed by Braniff International Airways for its new Dallas/Ft. Worth-London route is inconsistent with Bermuda II.

I note, however, that negotiations with the British government concerning this matter began on February 10 and resume today for the period March 6 through March 17. I am confident that during these negotiations the British government will adopt a position consistent with Bermuda II, and I therefore request that you withdraw your order at this time. If a satisfactory resolution with the British is not reached by March 17, I will reconsider the need for unilateral action by the United States.

Sincerely,

Timmy Carter

The Honorable
Alfred Kahn
Chairman
Civil Aeronautics Board
Washington, DC 20428

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

March 5, 1978

To: the prosider Fyl

Ec: Joyl.

MEMORANDUM FOR FRANK MOORE

FROM:

DAN TATE

SUBJECT:

Senator Gary Hart's telephone call to me

Late Friday afternoon Senator Hart called me for two stated purposes:

- (1) He hopes the President will be able to attend the dedication of the Solar Energy Research facility in Colorado. He had requested this a couple of weeks ago in a letter. We should follow up (perhaps this would also be an opportunity to put in an appearance for Floyd Haskell -- maybe Russell can look into this.)
- during a trip there last week that the President might not run in 1980. The Senator said this came up in the context of his remarks that the President was having some difficulty in getting some of his reform proposals accepted by the public and the Congress, and that it was possible that the President might feel so strongly about one or some of these that he might decide that he would give up the Presidentcy in order to get them. He cited LBJ's decision not to run in '68 in the hope of ending the war and his own statement (on at least one occasion to me) that he would sacrifice his Senate seat if it was necessary to get a SALT agreement through. He asked me to I clarify this quote for the President and to tell him that Senator Hart hopes he will run in 1980 and that if he does Hart will support him.



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 6, 1978

CONGRESSIONAL LEADERSHIP MEETING

Monday, March 6, 1978 11:00 a.m. Roosevelt Room

From: Frank Moore

I. PARTICIPANTS

See Attached List

II. PRESS PLAN

White House Photo Only

III. AGENDA

- 1. The Congressional leaders anticipate your telling them your intentions. They do not expect a great deal of "consultation." You should be firm in announcing your plans and in asking for their wholehearted public and private support.
- 2. At one time several of these Congressional leaders recommended either seizure alone or simultaneous with invocation of Taft-Hartley. You should explain to them the reasons for not choosing seizure:
- a. If we announced both steps at once, the miners would have less incentive to return to work under Taft-Hartley, preferring to wait for the presumably better terms of seizure.
- b. The legislative prospect of seizure is uncertain and other matters pending before Congress could be jeopardized (for example, the Panama Canal Treaties --Senator Byrd will agree with you on this point).
- c. Our asking for seizure authority could be criticized as appearing the miners, who are now perceived as sharing more of the blame for the impasse.

- d. Taft-Hartley will work if any significant percentage of miners return to the job. Ray Marshall expects that the requisite number of workers will comply and, if so, we will be able to forestall major economic problems indefinitely, particularly with an all-out effort to move western and non-union coal.
- 3. We should give Taft-Hartley and our strategy of separate agreements a chance to succeed before we take on the problems and risks of seizure.
- 4. In talking with Congressional leaders and in announcing your decision to the public, you should be firm in your expectation that the law will be obeyed, and you should pledge federal cooperation with the states to insure safety of both persons and property.

S. You SHOUL ASK Londers NOT to MAKE your ANNOUNCOMOT FOR you.

PARTICIPANTS

The President

Secretary Marshall

Senator Robert Byrd
Senator Alan Cranston
Senator Harrison Williams
Senator Henry Jackson
Senator Clifford Hansen
Senator Jennings Randolph
Senator Howard Baker
Senator Ted Stevens
Senator Jacob Javits

Speaker Thomas P. O'Neill, Jr.

Cong. John Brademas Cong. Frank Thompson Cong. John Anderson Cong. Robert Michel Cong. Carl Perkins Cong. Jim Wright

Frank Moore
Dan Tate
Bill Cable
Jim Free
Val Pinson
Bob Beckel
Bob Thomson
Nik Edes (Labor)

Electrosistic Coor Made for Process

THE WHITE HOUSE WASHINGTON

Notify governors Agot be of Inguiry

THE WHITE HOUSE WASHINGTON

rick--

please send copy to frank moore....this is what speaker o'neill usually/regularly gives president carter during these leadership meetings

thanks -- susan

copy sent 3/9/18

MEMO TO: The Speaker FROM: Irv Sprague

SUBJECT: Leadership Meeting 8:00 a.m., Tuesday, March 7, White House

POSSIBLE DISCUSSION TOPICS

We have picked up momentum the past two weeks by winning the B-1 Bomber vote, and passing International Monetary Fund, Overseas Private Investment Corporation, and D.C. Voting Representation.

In the immediate future are debt limit, Humphrey-Hawkins, Ethics and Campaign Reform and Financing.

- 1. Energy. (Senate conferees hope to have a proposition for the House Tuesday, including deregulation at a date certain.)
- Panama Canal Treaty.
- 3. Coal Strike.
- 4. Social Security Taxes. We bought a little time last week for the Administration. Ways and Means voted (19 to 18) not to open up social security taxes in Budget Resolution, but only after strong action by the Speaker asking Members to support Chairman Ullman and only after Ullman promised to consider social security in the tax bill. We lost test vote without that promise (20-15).

We really should hold to the Social Security bill we passed last year and make any tax adjustments in conjunction with universal coverage next Congress when we have the study on coverage of Federal employees.

A strong faction opposes opening up social security and specifically against using general revenues. However, they seem to be in the minority. Therefore, if the Administration does not propose something on social security quickly, there are two probabilities:

- (a) When the Budget Resolution reaches the Floor in April, a Republican motion to provide social security tax relief probably would carry the House.
- (b) A Democratic Caucus probably would instruct the Ways and Means Committee to include a Social Security amendment in the tax bill which goes into markup about the same time as the Budget Resolution hits the Floor.

Note: The Administration now has a group exploring alternatives.

- 5. Humphrey-Hawkins. House Floor Thursday. Task Force working.
- 6. Debt Limit. Floor Tuesday. Rules Committee today made in order motion to strike the provision putting debt limit into the Budget Resolution. Committee bill raises limit by \$72 billion to \$824 billion level until next March. Last year we lost the first debt bill 180 to 201.
- 7. Hospital Cost Containment. Out of subcommittee (7-6). HEW now canvassing Ways and Means and Commerce committees to see if they have the votes.
- 8. Welfare Reform. Jim Corman pressing hard for a commitment to move the bill in House and Senate.
- 9. Postal Reform. Eizenstat met yesterday with Hanley and Wilson. Plan is to agree this week on some sections (i.e., handling of Postmaster General and Rate Commission and Dropping Congressional Veto) with a committee amendment and then fight out the money sections on the House Floor.
- 10. Passed House and Senate. Age Discrimination in Employment (conferees agreed); Outer Continental Shelf; D.C. Appropriations; Energy; FTC Amendments (Sent back to Conference); Insecticide Act; Redwoods; Judges; Bankruptcy.
- 11. Passed House: Hatch Act; Labor Law Reform; D.C. Voting; International Monetary Fund; OPIC; Waterway User Fees.

COAL STRIKE MARCH 6, 1978

1

A MAJORITY OF THE UNITED MINE WORKERS HAVE NOW REJECTED THE NEGOTIATED COAL CONTRACT.

I AM DISAPPOINTED THAT THIS AGREEMENT WAS NOT APPROVED, BUT I RECOGNIZE THAT THE UNITED MINE WORKERS' SYSTEM OF COLLECTIVE BARGAINING REQUIRES APPROVAL BY UNION MEMBERS BEFORE A CONTRACT CAN TAKE EFFECT.

(OVER)

MY POLICY HAS BEEN TO DO EVERYTHING POSSIBLE TO HELP THE COLLECTIVE BARGAINING PROCESS PRODUCE A SETTLEMENT, BUT, WITH THIS REJECTION BY THE UNITED MINE WORKERS, COLLECTIVE BARGAINING IS NOW AT AN IMPASSE.

THE COAL STRIKE IS THREE MONTHS OLD. THE COUNTRY CANNOT AFFORD TO WAIT ANY LONGER.

(new page)



COAL SUPPLIES HAVE BEEN REDUCED TO A CRITICAL LEVEL THROUGHOUT THE MIDWEST.

TENS OF THOUSANDS OF PEOPLE ARE OUT OF WORK TODAY BECAUSE FACTORIES HAVE LAID OFF WORKERS TO CONSERVE FUEL.

POWER CURTAILMENTS HAVE REACHED 50 PERCENT IN INDIANA, AND 30 PERCENT IN WEST VIRGINIA.

(OVER)

ONE MONTH FROM NOW, AT LEAST A MILLION MORE AMERICANS WOULD BE UNEMPLOYED IF THE COAL STRIKE CONTINUED.

MY RESPONSIBILITY IS TO PROTECT THE HEALTH AND SAFETY OF THE AMERICAN PUBLIC, AND I INTEND TO DO SO.

I HAVE ORDERED THE ATTORNEY GENERAL, UNDER THE TAFT-HARTLEY ACT,
TO PREPARE FOR AN INJUNCTION TO REQUIRE THE MINERS TO RETURN TO WORK
AND THE MINE OWNERS TO PLACE THE MINES BACK INTO PRODUCTION.

(new page)

I HAVE APPOINTED A BOARD OF INQUIRY AND ASKED IT TO REPORT BACK TO ME AS SOON AS POSSIBLE, TO BEGIN THE EMERGENCY DISPUTE-SETTLEMENT PROCEDURE UNDER THE TAFT-HARTLEY ACT.

IN ADDITION, I HAVE ASKED THE ATTORNEY GENERAL AND THE GOVERNORS
OF THE AFFECTED STATES TO MAKE CERTAIN THAT THE LAW IS OBEYED,
VIOLENCE IS PREVENTED, AND LIVES AND PROPERTY ARE FULLY PROTECTED.

(OVER)

AS NECESSARY

THE DEPARTMENT OF ENERGY WILL USE ITS ALLOCATION POWERS TO MINIMIZE THE EFFECTS OF FUEL SHORTAGE ON REGIONS WHICH ARE MOST DEPENDENT ON COAL, BY MOVING ENERGY RESOURCES TO PLACES WHERE THEY ARE MOST URGENTLY NEEDED. WE WILL DEPEND ON THE FREE & VOLUNTARY DISTRIBUTION OF ENERGY WHENEVER POSSIBLE.

I HAVE NOT TAKEN THIS ACTION LIGHTLY.

(new page)

THESE STEPS ARE ABSOLUTELY NECESSARY IF OUR NATION IS NOT TO BE THE INNOCENT VICTIM OF THIS TOTAL BREAKDOWN OF THE COLLECTIVE BARGAINING PROCESS.

I EXPECT THAT ALL PARTIES AFFECTED BY THESE ACTIONS WILL COOPERATE FULLY AND ABIDE COMPLETELY BY THE LAW.

(OVER)

UNDER A TAFT-HARTLEY INJUNCTION, MINERS ORDINARILY ARE REQUIRED BY LAW TO RETURN TO WORK UNDER THE EXISTING CONTRACT UNLESS MORE ACCEPTABLE TERMS CAN BE NEGOTIATED BETWEEN MANAGEMENT AND LABOR.

DURING RECENT NEGOTIATIONS, BOTH MINE WORKERS AND OPERATORS AGREED ON NEW WAGES TO BEGIN IN 1978.

(new page)

WHEN THE TAFT-HARTLEY INJUNCTION TAKES EFFECT WE WILL SEEK

TO PERMIT ANY COMPANY TO OFFER THIS WAGE SETTLEMENT TO THOSE WHO RETURN

TO WORK UNDER THE INJUNCTION.

THE NEW 1978 WAGE PACKAGE IS A GENEROUS ONE WHICH REFLECTS THE SPECIAL CONDITIONS OF COAL MINING, AND I MUST SAY QUITE FRANKLY THAT I DO NOT SUPPORT AND WOULD PERSONALLY OPPOSE ANY MORE LIBERAL AND INFLATIONARY WAGE SETTLEMENT.

(OVER)

THE BEST PERMANENT SOLUTION TO THIS DISPUTE IS A SETTLEMENT REACHED THROUGH COLLECTIVE BARGAINING.

WHILE THE TAFT-HARTLEY INJUNCTION IS IN EFFECT, I WILL TAKE STEPS TO SEE THAT ALL PARTIES RESUME NEGOTIATIONS AS RAPIDLY AS POSSIBLE.

WHENEVER NEGOTIATED COAL CONTRACTS ARE RATIFIED BY THE UMW MEMBERSHIP THE TAFT-HARTLEY INJUNCTION WILL BE LIFTED.

(new page)

Electropicite Copy Made for Preservation Purposes

THE DIFFICULT AND DANGEROUS WORK OF COAL MINERS HAS HELPED AMERICA PROSPER AND GROW STRONG.

PARENTS

FOR TOO MANY YEARS IN THE PAST, THE MINERS, THEIR FATHERS,

PARENTS

AND THEIR GRANDFATHERS PAID AN UNFAIR AND BITTER PRICE FOR WORKING

IN THE MINES.

THEY OFTEN DID NOT HAVE THE SAFETY PROTECTION THEY NEEDED, AND THEY DID NOT RECEIVE COMPENSATION FOR BLACK LUNG DISEASE AND THE OTHER HAZARDS THAT THEY ENCOUNTERED DAILY.

(oyer)

MORE IMPROVEMENTS ARE STILL NEEDED IN THESE WORKING CONDITIONS FOR MINERS, BUT WE HAVE MADE IMPORTANT PROGRESS.

I RECENTLY SIGNED LEGISLATION PASSED BY CONGRESS THAT WILL SIGNIFICANTLY IMPROVE BOTH BLACK LUNG BENEFITS AND THE ENFORCEMENT OF FEDERAL HEALTH AND SAFETY STANDARDS IN THE COAL MINES.

(new page)

AS AMERICANS, WE ALL SHARE THE RESPONSIBILITY FOR PRESERVING THE HEALTH AND SAFETY OF OUR COUNTRY, WHICH IS NOW IN DANGER.

THE LABOR LAWS OF THE UNITED STATES HAVE BEEN WRITTEN

TO PROTECT OUR NATION AND AT THE SAME TIME TO PROTECT THE RIGHTS

OF WORKERS.

(OVER)



IN TIMES OF CRISIS THE LAW BINDS US TOGETHER;

IT ALLOWS US TO MAKE DECISIONS OPENLY AND PEACEFULLY; AND IT

GIVES US COURTS AND LEGAL PROCEDURES TO RESOLVE DISPUTES FAIRLY.

RESPECT FOR THE RULE OF LAW INSURES THE STRENGTH OF OUR NATION.

THE LAW WILL BE ENFORCED.

(new page

AS PRESIDENT, I CALL ON THE MINE WORKERS, THE COAL MINE OPERATORS, AND ALL AMERICANS TO JOIN IN A COMMON EFFORT UNDER THE LAW TO PROTECT OUR COUNTRY,....TO PRESERVE THE HEALTH AND SAFETY OF OUR PEOPLE,....AND TO RESOLVE FAIRLY THE DIFFERENCES WHICH HAVE ALREADY CAUSED SO MUCH SUFFERING AND DIVISION IN OUR LAND.

#

WASHINGTON

March 6, 1978

Dear Mr. Bennett:

The President has considered your letter requesting a special academic advisory committee be established for the United States Military Academy. After consulting with Secretary of Defense Brown, he has decided against such a committee or group of advisors.

Your letter makes many good points, and the President shares the spirit of them. Naturally, as a former educator I understand the cogency of your arguments about bringing the expertise of the academic profession to bear on improving the quality of education at West Point. Certainly the Superintendent, General Goodpaster, will do that in many informal ways.

The President is reluctant, however, to create new committees or groups or commissions, not just at West Point, but throughout the government. Against the broader backdrop of demands for such special bodies, he could not fairly put your request near the top.

I trust you will understand this decision in the true sense in which it was reached. The President is personally concerned that the quality of the service academies' education be both the finest and the most appropriate. He appreciates the continuing efforts to this end being made by the Superintendent and the work of the Board of Visitors.

Sincerely

Zbigniew Brzezinski

Mr. Douglas P. Bennett
Acting Chairman
1977 USMA Board of Visitors
Department of the Army
United States Military Academy
West Point, New York 10996

RECEIVED

SEP1 6 1980

CENTRAL FILES

WASHINGTON.

March 6, 1978

MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT:

Academic Advisory Committee for US Military Academy

After reviewing your memorandum on an "Academic Advisory Committee for US Military Academy," which was solicited to aid in considering Douglas Bennett's letter proposing such a committee, the President has disapproved Bennett's proposal, as well as the less formal variant outlined in your memorandum.

This decision against the proposal should not be taken as an indication of less concern about the quality of education at West Point. As you know, he takes special interest in having both the finest and most appropriate education at the service academies. He is reluctant, however, to establish any new group or committee which could quickly outlive its initial purpose or whose purpose can be achieved within our present organizational means. In other words, he is not rejecting the idea that the Superintendent at West Point consult professional academicians, but he is disapproving the idea of formalizing their appointments and status.

Zbigniew Brzezinski

WASHINGTON

1155 Add On

ACTION

March 2, 1978

MEMORANDUM FOR:

ZBIGNIEW BRZEZINSKI

FROM:

WILLIAM E. ODOM W

SUBJECT:

Academic Advisory Committee

for West Point

The President has considered both the letter from the Chairman of the U.S. Military Academy Board of Visitors, Douglas P. Bennett, (Tab C) and Harold Brown's advice on a variant of Bennett's proposal for an additional committee (Tab D). He has rejected both. We can close this action out if you sign the letter to Douglas Bennett (Tab A) which responds for the President to his letter and if you sign the memorandum explaining this decision to Harold Brown (Tab B). (The President's memo Tab E)

RECOMMENDATION:

That you sign the letter to Bennett at Tab A and the memorandum to Harold Brown at Tab B.

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p. 13.6.78

WASHINGTON

1155

ACTION

February 28, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI 🦔 👌

SUBJECT:

Academic Advisory Committee for

U.S. Military Academy

Harold Brown has responded to your request for advice on special academic advisors for West Point (Tab A).

Your original request mentioned the idea of special advisors "for a limited time (not more than one year)" (see Tab B). Harold Brown's memorandum omits reference to this limitation. If you authorize such advisors, you may want to be specific once again on that limit.

Your options are at Tab B.

1155

THE WHITE HOUSE

WASHINGTON

ACTION

February 28, 1978

MEMORANDUM FOR:

ZBIGNIEW BRZEZINSKI

FROM:

WILLIAM E. ODOM WO

SUBJECT:

Academic Advisory Committee for

U.S. Military Academy

Harold Brown has responded at Tab A with an answer to the President's question about advice on the idea "for a limited time (not more than one year) special advisors might be authorized to work under the Board of Visitors." (Tab B)

The Department of the Army apparently wants these advisors rather badly, and it is clear from the way Harold Brown's memorandum is drafted (it took them about three weeks to draft it), that they want this thing to last more then one year, in effect, become permanent and a committee in everything but name. For that reason, I have underlined in the memorandum to the President his original time limit of one year.

RECOMMENDATION:

That you sign the memorandum at Tab I.

1155.

THE SECRETARY OF DEFENSE WASHINGTON D. C. 20301

FEB 2 7 1978

MEMORANDUM FOR The President

SUBJECT: Academic Advisory Committee for U.S. Military Academy

Mr. Douglas P. Bennett, Acting Chairman, U.S. Military Academy Board of Visitors, recommended to you the establishment of an academic advisory committee for the Academy. You instead requested advice on the possibility of using special advisors in that role.

The use of special advisors is feasible. Under existing regulations the Superintendent of the Military Academy can obtain the counsel of individual experienced educators. As necessary, such advice on academic and curricular matters can be provided to the Army or the Board of Visitors.

I believe that, through this approach, we will obtain the support required to strengthen the academic program at West Point, while avoiding the need to establish an advisory committee at a time when the number of such committees in the Department of Defense has been greatly reduced (by 32%) since your Administration took office.

Harold Brown

cc: Dr. Brzezinski

THE PRESIDENT HAS SEEN. Soig- om against Creating another academic advisory Committee. For a limited time

WASHINGTON addisors might be authorized

LIMITED OFFICIAL USE

ACTION to work under

January 19, 1978 The Board of Visitos. Ask THE PRESIDENT

MEMORANDUM FOR:

FROM:

zbigniew brzezinski 75.

SUBJECT:

An Academic Advisory Committee for the US Military Academy at West Point

The Acting Chairman of the Board of Visitors at West Point has sent you a letter requesting the authorization of an "academic advisory committee" for two-three years duration. OMB recommends turning down this request, arguing that it duplicates the Board of Visitors. (See Tab B) General Goodpaster, the Superintendent at West Point, has something else in mind, not a duplication but rather tapping, on a selective basis, a few outstanding academicians to review various aspects of pedagogy with the aim of ensuring that the academic program is absolutely first rate. Members of the Board of Visitors are not regularly available for such consulting.

There may be a subjective reason to support this request although OMB's objective argument against it is strong. West Point, as you know, has been through great turmoil of late. General Goodpaster left retirement to take his prestige and stature to the task of remedying the Military Academy's maladies. He symbolizes the combination of combat leadership ability and academic excellent in his own person, and he is committed to ensuring that West Point supplies officers like himself. If he has asked for this modest outside support on pedagogical matters, you might help significantly by providing it.

An alternative, close to OMB's, would be to encourage General Goodpaster to use academic consultants to supplement the Board of Visitors but without giving them the formal status of a committee.

Your options are:

-- Reject Douglas Bennett's request for an academic advisory committee

- Accept the request and authorize such a committee
- -- Reject the request but encourage General Goodpaster to use academic consultants to supplement the Board of Visitors

LIMITED OFFICIAL USE

EXECUTIVE OFFICE OF THE PRESIDENT

Tab B

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 10, 1978

MEMORANDUM FOR:

RICK HUTCHESON

THRU:

Bo Cutter

FROM:

Randy Jayne

SUBJECT:

Advisory Committee -- West Point

We continue to believe that West Point should utilize existing procedures and mechanisms—in particular the Board of Visitors itself—to advise the Superintendent on academic matters. For the very reasons cited in Mr. Bennett's letter, outside groups rarely can commit the time to understand and appreciate fully the unique and specialized nature of Service academy academic life. West Point has been "examined to death," and yet another outside group could actually be counterproductive to the continuing recovery of the school's image and morale.

I believe that a number of attractive alternatives exist to a proliferation of committees, and I cite the experience of my alma mater, the Air Force Academy, as evidence. First, the periodic accreditation process provides outside scrutiny of curriculum design. Second, similar periodic contacts between individual departments and their respective national professional associations provide exchange on academic focus and content. Third, formal programs to bring to the campus distinguished visiting professors allow exchange on both general and specific academic policies. Finally, and most importantly, the Board of Visitors itself should perform such an advisory function. If necessary, future appointments to the Board should emphasize the kind of distinguished academic stature noted by Bennett. As case in point, two recent appointments to the Air Force Academy Board were Dr. Wesley Posvar, Chancellor of the University of Pittsburgh and former Chairman of the USAFA Political Science Department, and General Brent Scowcroft, former National Security Advisor to President Ford and USAFA professor. The inclusion of this kind of expertise gives the Board greater competence in assessing the particular academic-military relationships found at a Service academy.

RECOMMENDATION: The President should urge West Point and its Board of Visitors to pursue these and other means of gaining outside academic advice without creating yet another formal committee.



DEPARTMENT OF THE ARMY UNITED STATES MILITARY ACADEMY WEST POINT, NEW YORK 10996

Tab A

Board of Visitors United States Military Academy West Point, New York

President Jimmy Carter The White House Washington, D. C.

Dear Mr. President:

During the second session of the United States Military Academy Board of Visitors 1977 annual meeting held in Washington, D. C. on September 28, 1977, the Board received a series of detailed briefings regarding the West Point Study Group final report on the Military Academy. In the near future we will submit our official report to you reflecting the collective views of the members of the Board, but we would like to state that the work done by this Study Group was outstanding.

One of the matters which was deliberated at great length relates to a Study Group recommendation for the creation of a special advisory committee to advise the Superintendent on all aspects of Academy life. Earlier this year -- as an outgrowth of the Borman Commission's report on West Point -- the Department of the Army and the Secretary of Defense endorsed one of the Borman recommendations calling for the creation of such an advisory committee. The Office of Management and Budget rejected this proposal on grounds that it duplicated the responsibilities of the Board of Visitors. Generally speaking, the Board of Visitors agrees with the view of OMB, particularly if the charter of such an advisory committee is so broadly drawn.

However, during our recent meeting it became clear to us that one specific and extremely important aspect of West Point deserves special attention calling for the experience and expertise that can only be rendered by those who have devoted their lives to the academic profession. In view of the very serious problem of academic achievement which is so important to an institution of higher education and the efforts now underway to improve the academic quality of the West Point curriculum and teaching systems, some rather dramatic changes are being implemented. It seems to us that especially at this time, the Superintendent needs the ongoing consultation in the academic area that can only be provided by such a special group.



President Carter

As you well know, the three service academies have unique academic programs which have to complement properly other aspects of cadet and midshipman training in consideration of their respective missions. Therefore, any outside advisory body must have not only the expertise but also the time to understand and appreciate fully the nature of academic life at West Point. While the members of this Board are devoting a great deal of personal time to West Point, the fact remains that advice on academic matters would best come from those of the academic world.

We agree with the Superintendent's view that he would benefit from this advice of a prestigious, highly qualified group on academic matters. We envision such a special advisory committee would be constituted of leading men and women educators, Deans and Presidents of some of our nation's top colleges and universities and having a life of limited duration, perhaps two or three years. The individuals selected would be recommended by the Superintendent, with the concurrence of the Chief of Staff and appointed by the Secretary of the Army.

In conclusion, the Board supports the creation of an academic advisory committee, particularly in recognition of the troubled recent period at West Point. We do not feel that a more broadly mandated advisory committee is appropriate or necessary generally for the reasons articulated by the Office of Management and Budget.

Sincerely.

DOUGLAS P. BENNETT

Acting Chairman
1977 USMA Board of Visitors

December 27, 1977

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